

# **State Head Start Program**

## **Department of Education & Early Development – Program 33**

### **I. PROGRAM OBJECTIVES**

The purpose of the state Head Start program is to assist local Head Start contractors in meeting the twenty percent local match requirement of federal Head Start grants; to address poverty of access; to provide financial assistance for providing direct services for Head Start families and children; to provide financial assistance in training; and to provide technical assistance in training and monitoring to the Head Start programs.

### **II. PROGRAM PROCEDURES**

By June 1 of each year, eligible organizations submit applications specifying the services to be provided and amount of funds requested. Funds are allocated through a competitive grant process.

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

Federal regulations related to Head Start are currently used by the state for compliance. Any exception to federal regulations for the state program is clearly stated in the individual grant agreement.

#### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

##### Compliance Requirements

Allowable services include health, medical (dental, nutrition and mental health), education, social services, parent involvement, use of volunteers, career development for teachers, non-professional aides, and other staff members, needs assessment, health safety, faculty upgrade, and monitoring. PL 97-35, Title VI, Subchapter B; 45 CFR 1304 (b)-(E)

Allowability of costs for state funds is subject to the specific limitations and exclusions set forth in federal regulations or the federal grant award and the state contract. Fed. Reg. Title 45, Part 74, Subpart H, June 9, 1981; State Policies and Procedures, Part H.

##### Suggested Audit Procedure

- Test financial and related records and determine the purposes for which funds were expended.

## B. ELIGIBILITY

### Compliance Requirement

Enrollment and attendance level must adhere to the levels specified in the Notice of Financial Assistance Award. HHS Enrollment and Attendance Policies in Head Start, Federal Register, Vol. 44, No. 214, pp. 63478 - 63481

### Suggested Audit Procedures

- Review Notice of Financial Assistance Award.
- Examine enrollment and attendance records and compare enrollment to levels in the award.

### Compliance Requirements

At least ninety percent of the enrollees must come from families whose income is below the official federal poverty guidelines or who are receiving public assistance, unless the community meets the remoteness (poverty of access) provision. 45 CFR 1305.4 and 1305.2(b)(2) **or is a Region XI grantee where fifty-one percent must come from families whose income meets the official poverty guidelines. 42 USC 9840 (d)(1)(C)**

The enrollment will consist of children prenatal through the age of five and their families unless the grant award provides otherwise. 45 CFR 1305.3

### Suggested Audit Procedures

- Review the system used to determine eligibility and evaluate for adequacy.
- Review selected participant and applicant files and determine adherence to the prescribed system.

## C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

### Compliance Requirement

The state program is designed to provide a state share for at least twenty percent of the Head Start program. The federal and state awards will detail the specific amounts of the state and federal money and will identify any matching or in-kind contributions to be made by the grantee. Where state general fund money is not available at the 20% level, the grantee must generate the balance with in-kind services, cash contributions, or other support from the community.

### Suggested Audit Procedures

- Review federal, state, and other funding sources
- Determine that the 20% state contribution is being met by the state and local funds and in-kind

#### D. REPORTING REQUIREMENTS

##### Compliance Requirement

All contracts will provide for monthly or quarterly billings, to be submitted by the contractor within 15 days of the end of each month or quarter. State Policies and Procedures, Part G

##### Suggested Audit Procedures

- Review the contract, examine copies of reports and determine the completeness and timeliness of submission.
- Trace data in selected reports to underlying documentation.

#### E. SPECIAL TESTS AND PROVISIONS

##### Compliance Requirement

There must be evidence of compliance with Head Start performance standards. 45 CFR 1304.2-3

##### Suggested Audit Procedure

- Determine whether there is a program improvement document that addresses any compliance issues identified in an on-site review and/or federal on-site monitoring report.

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